Employment changed little in September. After a total upward revision of 77,000 jobs for July and August, nonfarm payroll employment declined by 35,000 jobs in September, significantly fewer than had been anticipated in the wake of Hurricane Katrina. The BLS noted that September employment may be underestimated because of technical adjustments to account for responses in disaster areas. This is the first time the BLS has had to modify estimation procedures in response to a disaster. Previous natural disasters have had limited impact on monthly employment. Since the beginning of this year, payroll employment gains have averaged a healthy 203,000 jobs a month.

Service-providing industries declined by 36,000 jobs, largely in the retail and leisure and hospitality industries. Employment in retail trade fell by 88,000 jobs, while employment in leisure and hospitality fell by 80,000. Jobs in education and health services rose by 49,000. Professional and business service industries added 52,000 jobs, of which 32,000 jobs were in temporary help services, which were boosted by hiring associated with hurricane recovery efforts. Meanwhile, the construction industry increased by 23,000 jobs, which is consistent with average monthly gains this year. Manufacturing employment continued to falter, dropping by 27,000 jobs; however, this number includes a temporary strike by 18,000 workers in the aerospace industry.

After reaching a four-year low of 4.9% in August, the unemployment rate inched upward to 5.1% in September, and the employment-to-population ratio inched downward to 62.8%.